

THE STATE OF THE AMERICAN TRAVELER



DESTINATION ANALYSTS

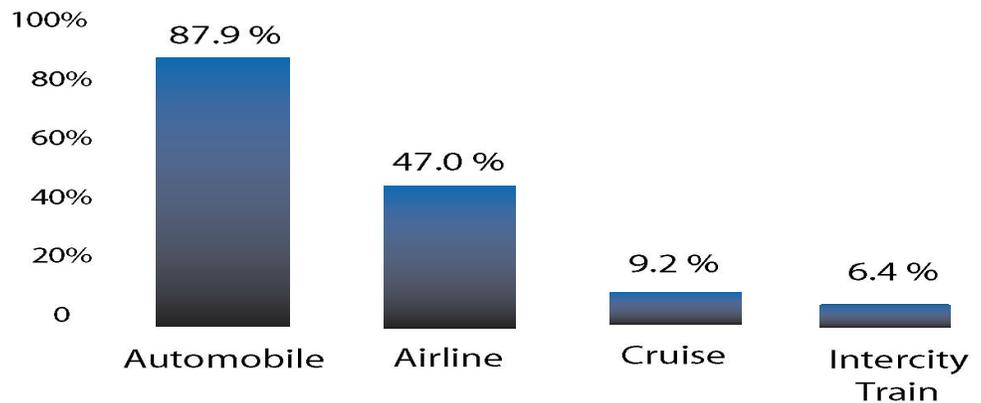
As the summer season moves into full gear, growing financial concerns and high gasoline prices have left Americans with relatively conservative travel expectations. Our July survey of leisure travelers shows restrained expectations for future travel volume. Meanwhile, travelers' outlook for future leisure travel spending has also moved downward over the past 12 months.

Americans' plans for future leisure travel have softened considerably in recent months. This summer's State of the American Traveler Survey found that the percent of Americans saying they will increase their leisure travel in the upcoming year reversed course in June, falling to 33.7 percent. In January of this year, this figure stood at 40.7 percent. With this decline, the figure now stands at approximately the same level as one year ago, when 33.0 percent of surveyed Americans said they would increase their travels in the next year. This rise and fall closely mirrors a similar pattern seen in overall consumer confidence, and not coincidentally, prices at the pump.

Over the past year, American travelers' expectations of future travel spending has steadily declined. In our most recent survey, 40.0 percent of respondents said that they expect to spend more on leisure travel in the next 12 months than in the 12 months immediately past. Last January, this figure stood at 42.0 percent, down from 44.1 percent in July 2006.

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1. What methods have you used to travel in the past 12 months?



2. In the past twelve (12) months, how many trips have you taken of more than 100 miles (round-trip) for purely leisure or personal reasons?

One: 15.6%
 Two: 22.2%
 Three: 12.5%
 Four to five: 21.9%
 Six to ten: 18.9%
 Eleven to twenty: 7.1%
 More than 20: 2.2%
 Average: 5.4 trips

3. How many of these trips were day trips with no overnight stay?

Zero: 51.7%
 One: 14.6%
 Two: 13.6%
 Three or more: 20.2%
 Average: 1.9 trips

4. How many of these leisure trips were primarily by automobile?

Zero: 12.1%
 One: 21.6%
 Two: 22.2%
 Three: 9.0%
 Four: 8.9%
 Five or more: 26.1%
 Average: 3.9

5. How many of these leisure trips included air travel?

Zero: 53.0%
 One: 20.2%
 Two: 13.0%
 Three: 5.4%
 Four or more: 8.3%
 Average: 1.1

6. How many of these trips included travel outside the United States?

Zero: 79.2%
 One: 14.3%
 Two: 4.0%
 Three or more: 2.5%
 Average: 0.3 trips

7. In the next 12 months, do you expect to travel more or less for leisure than you did in the most recent 12 month period?

Travel more: 33.7%
 About the same: 57.1%
 Travel less: 9.2%

8. In the next 12 months, do you expect to spend more or less for leisure travel than you did in the most recent 12 month period?

Spend more: 40.0%
 About the same: 49.0%
 Spend less: 10.9%

9. In the past 12 months, which (if any) of the following kept you from traveling more for leisure than you would have otherwise preferred?

Personal financial reasons: 48.5%
 Gasoline was too expensive: 46.1%
 Other personal responsibilities: 26.8%
 Airfare was too expensive: 24.4%
 I was too busy at work: 23.3%
 Too little vacation time: 14.7%
 Safety concerns: 7.2%
 Child care responsibilities: 5.9%
 Travels frequently for business and prefers to stay home: 1.7%

10. In the past 12 months, have you traveled for any reason by air?

Yes: 50.6%
 No: 49.4%

11. In the past 12 months, which (if any) of these air travel related problems have you encountered?

Excessive security line wait: 34.0%
 Excessively delayed flight(s): 33.8%
 Had to throw away item to pass through security: 25.4%
 Inappropriate use of overhead bins by passengers: 22.7%
 Check-in difficulties: 14.8%
 Lost baggage: 11.7%
 Rude/unprofessional airline staff: 10.9%
 Rude/unprofessional Transportation Security Administration Staff: 9.1%
 Rude/unprofessional airport staff: 8.7%
 Difficulty getting to the airport: 4.3%
 Safety concerns in the air: 4.3%

Reasons for cutting back on leisure travel

	Gasoline Too Expensive	Personal Financial Reasons	Airfare Too Expensive	Safety Concerns
July 2006	47.3%	42.0%	28.6%	10.1%
January 2007	40.1%	45.2%	27.9%	9.8%
July 2007	46.1%	48.5%	24.4%	7.2%

The chart above shows the percent of American leisure travelers who say the issue led them to travel less than they would have otherwise preferred in the past 12 months.

12. How likely are the problems mentioned above to make you less likely to travel by air in the future?

Very Likely: 3.7%
 Likely: 9.3%
 Not Likely nor Unlikely: 28.9%
 Unlikely: 17.7%
 Very Unlikely: 34.8%
 I don't know: 5.6%

13. In the past year, is the overall convenience of domestic air travel?

Improved a lot: 2.1%
 Improved: 14.0%
 Stayed the same: 41.7%
 Gotten worse: 31.5%
 Gotten much worse: 7.2%
 I don't know: 3.5%

14. At most, how many miles (one-way) would you typically be willing to travel for a weekend getaway trip?

Under 100 miles: 7.9%
 100 To 250 miles: 55.8%
 251 To 500 miles: 24.2%
 500 To 1000 miles: 5.3%
 Over 1000 miles: 3.5%
 Average: 317 miles

15. In the past 12 months, did you take any leisure trips (of 50 miles or more one-way) specifically to do any of the following?

Dine in a specific restaurant or restaurants: 25.3%
 Visit a destination because it has good restaurants: 13.7%
 Attend a food-related event or festival: 12.6%
 Visit a destination because of its regional cuisine: 8.5%
 Attend a wine-related event or festival: 5.7%
 Visit a specific wine country region: 4.9%
 Visit a specific winery: 4.6%

16. At any point in the past 12 months, did you decide not to purchase wine while in a winery due to difficulties/restrictions expected at airport security?*

Yes: 16.4%
 No: 79.3%
 I don't know: 4.3%

(*Note: asked only of those visiting wineries)

GREEN TRAVEL

This summer, our survey explored travelers' concern over the environmental impact of their personal leisure travel. When making travel decisions, Americans do not appear to be highly concerned about their personal impact on the environment. When asked how concerned they are about the impact of their personal leisure travel on the environment, 6.8 percent said that they were "highly concerned." Another 16.1 percent said that they were "concerned." Almost half (47.9%), however, reported that they were "not at all concerned."



Relatively few Americans are familiar with the concept of using "voluntary carbon offsets" to reduce the impact of travel on the global climate. While 14.6 percent said that they were "very familiar" or "familiar" with these voluntary carbon offsets, 70 percent were "not at all familiar" with them.



About half of American leisure travelers say that they may be open to purchasing voluntary carbon offsets for their leisure travel by air. Given what they currently know, 9.3 percent said that they would "consider" such a purchase. An additional 44.4 percent said that they "might consider" such a purchase.



Respondents were asked the maximum they would be willing to pay for a carbon offset that would completely offset the impact of their travel. On average, these maximum thresholds were \$20 for one hotel room night, \$33 for air travel (per 500 miles) and \$34 (per 500 miles) for an automobile trip. Less than 1 percent of surveyed travelers reported having actually purchased such an offset in the past 12 months.

DESTINATION HOT LIST

What are the domestic destinations that you would most like to visit in the upcoming year?*

Las Vegas: 27.7%
 New York City: 22.4%
 Orlando: 19.0%
 Washington D.C.: 11.2%
 Chicago: 11.1%
 San Francisco: 9.9%
 Los Angeles: 9.4%
 San Diego: 8.8%
 Seattle: 8.2%
 Boston: 6.8%
 Grand Canyon: 5.8%
 Denver: 5.8%
 Atlanta: 5.1%
 New Orleans: 4.8%
 Myrtle Beach: 4.6%
 Branson: 4.6%
 Phoenix: 4.3%
 Miami: 4.3%
 Yellowstone: 4.2%
 Dallas: 4.2%
 Portland: 4.2%
 San Antonio: 4.1%

What are the foreign destinations that you would most like to visit in the upcoming year?*

United Kingdom: 18.9%
 Italy: 14.1%
 Canada: 13.2%
 Mexico: 12.0%
 France: 11.9%
 Ireland: 9.2%
 Australia: 8.4%
 Germany: 7.1%
 Spain: 6.5%
 Greece: 4.2%
 Bahamas: 3.3%
 Jamaica: 2.9%
 Japan: 2.8%
 Russia: 2.7%
 Costa Rica: 2.7%
 New Zealand: 2.6%
 Switzerland: 2.4%
 China - Hong Kong: 2.3%
 Aruba: 1.8%
 Sweden: 1.6%
 Austria: 1.6%
 Egypt: 1.5%
 Thailand: 1.1%

**An open-ended question, respondents were asked to consider only destinations they could reasonably expect to visit in the next 12 months.*

17. Which of the following statements accurately describe you?

When traveling, I am interested in regional cuisines: 38.8%
 I would travel and stay overnight away from home to go to a specific restaurant: 9.2%
 I would travel more than 100 miles (one-way) to go to a specific restaurant: 8.7%
 In the past 12 months, before leaving home on a leisure trip, I have made reservations for a restaurant in that destination: 8.7%
 I would travel more than 200 miles (one-way) to go to a specific restaurant: 4.3%

18. In the past 12 months, which of these activities did you participate in (at least once) while on leisure trips (of 50 miles or more one-way)?

Dine in restaurants: 75.1%	Go to a beach or lake: 50.2%
Visit friends or relatives: 67.5%	Visit small towns/villages: 46.5%
Shopping: 64.9%	Visit a state or local park: 30.7%
Sightseeing in cities: 50.0%	Drive a designated scenic byway: 30.1%
Visit an historical place: 46.6%	Visit National Parks: 25.6%
Sightseeing in rural areas: 42.3%	Foliage/fall scenery watching: 17.9%
Casinos/Gambling: 36.8%	Fishing: 16.6%
Visit theme/amusement park: 26.7%	Camping: 16.4%
Attend concert/play/musical: 25.5%	Day hiking: 15.8%
Art galleries or museum: 25.4%	Visit a National Forest: 15.1%
Take a guided tour: 20.4%	Visited a Civil War battlefield or historic monument/location: 12.0%
Attend a sporting event: 20.3%	Visit ecological sites: 10.7%
Attend a family reunion: 19.8%	Bird watching: 8.5%
Visit ethnic heritage sites: 17.1%	Astronomy or stargazing: 6.9%
Nightclubbing: 13.8%	Horseback riding: 4.5%
Visited a winery: 13.8%	Canoeing or kayaking: 3.9%
Stay at all-inclusive resort: 12.5%	ATV or off road vehicles: 3.8%
Sailing or other water sports: 12.4%	Hunting: 3.3%
Take a day cruise: 9.8%	Skiing or snowboarding: 2.8%
Spa or hot spring: 8.5%	White water rafting: 2.1%
Golf: 7.4%	Ranch vacation: 2.1%
Tennis: 2.8%	Hiking trip (1 or more nights on trail): 2.0%
	Mountain biking: 1.9%
	Rock climbing: 1.4%
	Mountaineering: 0.6%

19. In the past 12 months, which (if any) of the following have you done?

Traveled for a medical procedure (50 miles or more one-way): 9.5%
 Traveled to purchase medicine or medical equipment (50 miles or more one way): 2.8%
 Traveled to a foreign country for a medical procedure: 0.8%
 Traveled to a foreign country to purchase medicine or medical equipment: 0.6%

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This summer's dip in travel expectations may be accounted for by the combination of two factors: concern over personal finances and gasoline prices.

Over the past 12 months, Americans have expressed increasing anxiety over their personal financial situations (Table 2, page 2). In July of 2006, 42.0 percent of survey respondents said that they had not traveled as much as they would have liked due to their personal financial situation. Last January, this figure grew to 45.2 percent. In our most recent survey, almost half of American leisure travelers (48.5%) said that they had cut back on their leisure travel for personal financial reasons.

Gasoline prices have also climbed back into the forefront of the American travel psyche. Last summer, the rapid escalation in prices at the pump have seriously impacted travelers' plans. 47.3 percent of survey respondents said that high gas prices has led them to reduce their leisure travels in the previous year. In January of this year, there appeared to be a softening of this sentiment, with the figure falling to 40.1 percent. Our most recent survey shows a resurgence in gasoline prices impeding leisure travel. The percent of respondent saying that gasoline prices led them to travel less than they would have otherwise preferred rose to 46.1 percent in the recent survey.

Despite these negatives, concerns over travel safety and the cost of airfare have diminished slightly in the past year. With the peak travel season underway, prospects are encouraging for continued positive industry performance.

TRAVEL PLANNING RESOURCES

Our survey confirms that Americans are increasingly using the Internet to make travel decisions. The Internet has moved well beyond being a tool for booking flights and hotel rooms. Travelers use it extensively to help with all their trip planning decisions. In the past year, about 34% say that they have used the Internet to select the activities and attractions they will see and do on a trip. Almost 30% have used the Internet to select a specific destination to visit. The survey asked about the use of print resources for completing the same travel planning tasks. Across all categories, survey respondents were three to four times more likely to have used the Internet compared to any printed resource.

20. In the past 12 months, which of the following have you done while on leisure trips (of 50 miles or more one-way)?

Spent more than I expected: 58.9%
 Made a new friend(s): 28.4%
 Something new/exciting: 25.2%
 Taken a laptop computer with me when I traveled for leisure: 21.6%
 Traveled specifically to get away from my work: 19.9%
 Attended religious services: 19.5%
 Ordered room service in a hotel: 18.3%
 Brought my pet(s) with me: 12.1%
 Purchased a travel package: 11.3%
 Brought meal on airline: 11.2%
 Brought my pet(s) with me: 10.5%
 Did something dangerous: 9.7%

21. In the past 12 months, which of these travel planning tasks have you completed online or decided based on information found online?

Booked a hotel (or lodging): 46.3%
 Selected a hotel/place of stay: 45.1%
 Purchased airline tickets: 41.4%
 Selected an airline: 37.7%
 Selected attractions or things to see and do in a destination I was planning to visit: 33.9%
 Read about local culture, arts, heritage or events of a destination: 32.4%
 Decided to visit particular destination: 30.6%
 Booked a rental car: 26.5%
 Selected car rental company: 22.3%
 Decided how long I would stay at a destination: 23.5%
 Selected a restaurant in a destination I was planning to visit: 20.6%

22. In the past 12 months, have you used the website of a state government travel office to help plan any travel?

Yes: 22.7%
 No: 74.6%
 I don't know: 2.8%

23. In the past 12 months, which of these travel planning decisions or tasks have you made or done based in part on information from ANY PRINTED MATERIALS?

Decided to visit a particular destination: 13.2%
 Used a map from an official visitor guide: 13.1%
 Read about the local culture, arts, heritage or events of a destination: 11.0%
 Selected attractions or things to see and do in a destination I was planning to visit: 10.7%
 Selected a hotel or place of stay: 9.9%
 Selected a restaurant or place to eat in a destination I was planning to visit: 8.4%
 Read a longer or more in-depth article about a destination (i.e. more than 200 words or half a page): 4.7%
 Decided how long I would stay at a destination: 4.2%
 Selected a car rental company: 2.8%

24. In the past 12 months, which of these Internet technologies or services have you used to plan a leisure trip?

User-generated travel reviews of hotels from other travelers: 23.6%
 Travel-related e-mail newsletter: 19.9%
 Travel itinerary, blog or journal posted by another traveler: 19.0%
 User-generated travel reviews of destinations from other travelers: 17.1%
 User-generated travel reviews of restaurants or travel activities: 15.5%
 Online video including visiting video sharing websites (e.g., Youtube.com, AOL Video or Google Video): 9.1%
 Submitted reviews, comments, photos or an itinerary of your own to one of these types of sites: 6.4%
 Audio file(s) downloaded from the Web (including podcasts): 5.0%
 Social photo sharing websites: 4.5%
 RSS feeds: 1.8%
 Social bookmarking websites: 1.3%

25. In the past 12 months, have you used the website of a local Visitors or Convention Bureau to help plan any travel?

Yes: 31.7%
 No: 65.0%
 I don't know: 3.2%

26. Which of the following (if any) are reasons you used a Visitors or Convention Bureau or state government travel office website?

They offer the specific travel information I need: 49.5%
 Their content is trustworthy: 44.4%

Generally good website design or usability: 34.2%
 There is less commercial influence: 34.0%
 They have a broader scope of content: 31.6%
 I located the website on a search engine: 30.7%
 These websites have fewer advertisements: 25.4%
 They have more authoritative content: 21.4%
 Habit - I typically use them: 16.0%

27. Which of the following (if any) are reasons you did not use a Visitors or Convention Bureau or state government travel office website?

I just didn't think to use them: 60.0%
 I just didn't realize they exist: 20.5%
 They don't offer the specific travel information I need: 18.7%
 Better sources of travel information are available: 16.4%
 They have too much commercial influence: 9.5%
 Opinions on these websites are biased: 8.1%
 Their content is not all inclusive: 7.6%
 These websites contain too much advertising: 7.0%
 Their content is usually not current or up to date: 5.6%
 Generally poor website design or usability: 3.2%
 The search engine did not return website: 3.1%

Methodology

The State of The American Traveler Survey is conducted every six months by Destination Analysts, Inc, a San Francisco-based tourism industry research company. The survey was conducted online amongst a nationally representative sample of adult Americans. From July 9th to 16th, surveys were collected from a group of respondents who were then screened by their leisure travel behavior. Only those respondents who had traveled at least once in the past 12 months for purely leisure or personal reasons were interviewed. This travel must have been of at least 50 miles one-way—the standard distance threshold used in the tourism industry to signify that a “trip” has been taken. In total, 1,018 leisure travelers completed the survey. With this sample size, the topline data presented here can be considered to have a reliability of +/- 3.1%.